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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/870,142	05/30/2001	Steven B. Smith	13660.17	4558
21999	7590	03/22/2007	EXAMINER	
KIRTON AND MCCONKIE 60 EAST SOUTH TEMPLE, SUITE 1800 SALT LAKE CITY, UT 84111			HARBECK, TIMOTHY M	
			ART UNIT	PAPER NUMBER
			3692	
SHORTENED STATUTORY PERIOD OF RESPONSE		MAIL DATE	DELIVERY MODE	
3 MONTHS		03/22/2007	PAPER	

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>
	09/870,142	SMITH ET AL.
	<b>Examiner</b>	<b>Art Unit</b>
	Timothy M. Harbeck	3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 04 January 2007.
- 2a) This action is FINAL.                            2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-21 is/are pending in the application.
  - 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-21 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.
 

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  - a) All    b) Some \* c) None of:
    1. Certified copies of the priority documents have been received.
    2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
    3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- 1) Notice of References Cited (PTO-892)
- 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) Notice of Informal Patent Application
- 6) Other: \_\_\_\_\_

## DETAILED ACTION

### ***Continued Examination Under 37 CFR 1.114***

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 01/04/2007 has been entered.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Editors (Business Editors, High-Tech Writers Summer Internet World 99. "PocketCard Inc.'s Product Launch at Internet World Summer 99; High-Tech VISA Card Ends Expense Account Headaches." Business Wire. New York: Jul 21, 1999. pg 1) in view of Claus (US PAT 5,857,079).

**Re Claim 1:** Editors discloses the high-tech VISA PocketCard comprising:

- Establishing a plurality of virtual financial accounts wherein each virtual financial account wherein multiple virtual financial accounts may be overlaid upon one actual financial account (Page 2, 4<sup>th</sup> full paragraph)

- Allocating a given amount of funding for each of the plurality of virtual financial accounts from each of the actual financial accounts upon which each virtual financial account is overlaid (Page 2, 4<sup>th</sup> full paragraph; “employer sets individual limits for each card.”)
- Allocating a transaction to a virtual financial account selected from the plurality of virtual financial accounts, the transaction corresponding to a debit from or a credit to at least one of the actual financial accounts upon which the virtual financial account selected is overlaid (Page 2, 9<sup>th</sup> full paragraph; “The report is automatically prepared as the card is used. As soon as a transaction takes place, complete details are entered into the card’s transaction history.” Also see 11<sup>th</sup> full paragraph “cardholders can review records for their individual account.”)
- Debiting or crediting the allocated fund amount according to the transaction allocated to the particular virtual financial account and from the at least one corresponding actual account (See 4<sup>th</sup> full paragraph; debiting of the virtual account is inherent in that the employee cannot spend more than the amount allocated. If virtual account was not debited with each transaction the employee would be able to surpass the limit. This is not the case.)

Editors does not explicitly disclose wherein each virtual account is capable of being overlaid upon multiple actual financial accounts. Claus discloses wherein each virtual accounts (categories) can be overlaid upon multiple financial accounts (Type).

For example the "groceries" virtual account can be overlaid onto either of the cash or credit actual accounts in Fig 13 (Also see Column 1 37-39, C1 L 66- C2 L2; C6 L37-38 and C11 L 36-37, 45-47). It would have been obvious to a person of ordinary skill in the art at the time of invention to include the teaching of Claus to the disclosure of Editors so that a single card is utilized to record and categorize transactions for a business expense account. In this manner the business entity has maximum control and oversight over the transactions of their employees.

**Re Claim 2:** Editors in view of Claus discloses the claimed method supra and Editors further discloses the step of determining a balance with each of the plurality of virtual financial accounts (Page 2, 2<sup>nd</sup> full paragraph, the employer can review all card transactions at any time by accessing the account at PocketCard's website." And 9<sup>th</sup> full paragraph "The employer can review the history online at anytime.")

**Re Claim 3:** Editors in view of Claus discloses the claimed method supra and Editors further discloses the step of displaying the balance of a virtual account after transaction allocation and debit or credit of the transaction (Page 2, 9<sup>th</sup> paragraph; "As soon as a transaction takes place, complete details are entered into the card's transaction history. The employer can review the transaction details at any time.")

**Re Claim 4:** Editors in view of Claus discloses the claimed method supra and Editors further discloses the step of distinguishing between the transactions that have cleared real time through the actual financial account and those that have not within each of the plurality of virtual financial accounts. (Page 2, 9<sup>th</sup> paragraph; "As soon as a

transaction takes place, complete details are entered into the card's transaction history.  
The employer can review the transaction details at any time.")

**Re Claim 5:** Editors in view of Claus discloses the claimed method supra and Editors further discloses the step of displaying transaction information of a selected allocated transaction within one of the virtual accounts (Page 2, 11<sup>th</sup> full paragraph "Cardholders can review records for their individual account.").

**Re Claim 6:** Editors discloses a method for managing financial resources in an automated fashion comprising:

- Establishing a plurality of virtual financial accounts overlaid on actual accounts, wherein multiple virtual accounts may be overlaid upon a single actual account (Page 2, 4<sup>th</sup> full paragraph)
- Allocating a given amount of funding for each of the plurality of virtual accounts from each of the actual accounts upon which each virtual account is overlaid (Page 2, 4<sup>th</sup> full paragraph; "employer sets individual limits for each card.")
- Allocating transactions in real time to the appropriate virtual accounts so that individuals in remote locations may view the accounts and coordinate purchases (Page 2, 2<sup>nd</sup> full paragraph, the employer can review all card transactions at any time by accessing the account at PocketCard's website." And 9<sup>th</sup> full paragraph "The employer can review the history online at anytime.")

Editors does not explicitly disclose wherein each virtual account is capable of being overlaid upon multiple actual financial accounts. Claus discloses wherein each virtual accounts (categories) can be overlaid upon multiple financial accounts (Type). For example the "groceries" virtual account can be overlaid onto either of the cash or credit actual accounts in Fig 13. It would have been obvious to a person of ordinary skill in the art at the time of invention to include the teaching of Claus to the disclosure of Editors so that a single card is utilized to record and categorize transactions for a business expense account. In this manner the business entity has maximum control and oversight over the transactions of their employees.

**Re Claim 7:** Editors in view of Claus discloses the claimed method supra and Editors further discloses the step of determining a balance with each of the plurality of virtual financial accounts (Page 2, 2<sup>nd</sup> full paragraph, the employer can review all card transactions at any time by accessing the account at PocketCard's website." And 9<sup>th</sup> full paragraph "The employer can review the history online at anytime.")

**Re Claim 8:** Editors in view of Claus discloses the claimed method supra and Editors further discloses the step of displaying the balance of a virtual account after transaction allocation and debit or credit of the transaction (Page 2, 9<sup>th</sup> paragraph; "As soon as a transaction takes place, complete details are entered into the card's transaction history. The employer can review the transaction details at any time.")

**Re Claim 9:** Editors in view of Claus discloses the claimed method supra and Editors further discloses the step of distinguishing between the transactions that have cleared real time through the actual financial account and those that have not within

each of the plurality of virtual financial accounts. (Page 2, 9<sup>th</sup> paragraph; "As soon as a transaction takes place, complete details are entered into the card's transaction history. The employer can review the transaction details at any time.")

**Re Claim 10:** Editors in view of Claus discloses the claimed method supra and Editors further discloses the step of displaying transaction information of a selected allocated transaction within one of the virtual accounts (Page 2, 11<sup>th</sup> full paragraph "Cardholders can review records for their individual account.").

**Re Claims 11-21:** Further apparatus claims would have been obvious in order to perform the previously rejected method claims 1-10 and are therefore rejected using the same art and rationale.

### ***Response to Arguments***

Applicant's arguments filed 01/04/2007 have been fully considered but they are not persuasive.

Applicant has submitted that the references cited do not teach or suggest all the limitations from the claims set, that there is no motivation to combine the references in the manner proposed by the Examiner, and that one of ordinary skill in the art would not reasonably expect success in combining the cited references.

The first argument presented is that that 'neither reference discloses the flexibility of virtual and actual accounts claimed in claim 1,' and more "specifically, the cited paragraph of Editors at most teaches a plurality of virtual accounts overlaid upon a

virtual financial account, not overlaid upon an actual financial account (Remarks page 9)." The examiner disagrees. The paragraph of Editors reads "The employer funds the program by transferring money from the company's bank account into a PocketCard virtual account." The applicant contends that this is a transfer of money into a single virtual account, not an overlaying of a virtual account on an actual account as is required by the claims (Remarks page 9).

However the applicant's specification reads, "Each time a user receives cash it is deposited to these specific accounts in a manner that reflects the preset spending allocations set by the user (Page 4, lines 9-10)." Thus, according to the Applicants own specification, depositing cash to these specific accounts represents an overlaying transaction. Therefore the examiner feels justified that 'transferring money from a company's bank account into a PocketCard virtual account,' is also an overlay transaction, at least how it is disclosed in the present invention. Applicant further contends that it is unclear whether the individual PocketCards are actual accounts or virtual accounts, however this is explicitly stated in the reference ('a PocketCard virtual account). Furthermore it is disclosed that these PocketCard virtual accounts are overlaid on an actual bank account of the company.

Applicants next argument is that Editors does not disclose the ability of each of the virtual accounts to be overlaid upon multiple accounts of any type, let alone actual financial accounts as required by claim 1 (Remarks page 9). Instead, Applicant contends that Claus teaches a plurality of categories and subcategories, including some subcategories that have the same name, but Claus does not teach a virtual account

overlaid upon multiple actual accounts. Rather each of the subcategories disclosed by Claus has an independent existence and does not act in conjunction with the other similarly-named subcategories as a single virtual account overlaid on multiple actual accounts. Applicant supports this by pointing to specific points of the specification and figures, however the Examiner feels that Applicant is not viewing the Claus reference in its entirety.

For instance, Figure 13, shows categories and balances as pointed out by applicant, and states with certainty that since this snapshot does not teach the overlay ability then it is not disclosed. However, as stated explicitly in Claus, “FIG 13 illustrates a sample spreadsheet that could be prepared using the Microsoft Excel spreadsheet program (Column 10, lines 24-26).” It is of the opinion of the Examiner then that the Applicant has improperly narrowed the intended scope of the Claus invention, because of an example that represents one of many manipulations. A more detailed reading of Claus reveals, in the background of invention, that some of the problems with the art prior to the Claus invention include the fact that “most people cannot accurately track their expenses with respect to specific categories, (Column 1, lines 37-39)” and also that the prior art does not “categorize the expenses for which the checks are written nor does it address the problem of the use of credit cards and cash. (Column 1 line 66-Column 2 line 2). Claus further discloses in the detailed description the ability to display total expenditures for all classes, types, and categories (Column 6 37-38), and the ability to sum the transactions for each list coming up with a single numerical value for each category of an individual list (Column 11, lines 45-47).

Thus, the examiner maintains that the Claus discloses 'wherein each virtual financial account is capable of being overlaid upon multiple actual financial accounts,' as this is the problem that is set out to be solved, and the language of Claus certainly suggest the ability to do so, and is therefore capable of performing this step. In the immediate case the fact that the example used by Claus in Figure 13 refers to 'subtotals for each category by class and type,' (Column 11, lines 36-37) does not render the invention incapable of disclosing subtotals of each category (such as the groceries category example of a virtual account) across all classes (actual accounts of cash, check and credit). On the contrary a person of ordinary skill in the art would be capable of using the invention along with the disclosed and well-known Microsoft Excel program for this purpose. This is especially true in light of the problem to be solved, namely that "most people cannot accurately track their expenses with respect to specific categories, (Column 1, lines 37-39)."

Applicants further submit that Editors and Claus fail to suggest or teach the combination of the prior art suggested by the Examiner. That, "Obviousness can only be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggestion supporting the combination," and any such teaching must be found in the prior art, and not based on the applicants disclosure." However, it has been found that "In many, if not most, situations, there is neither a motivation to make the modification clearly articulated in the reference nor an evident lack of motivation. Rather, the prior art references typically disclose elements or aspects of the claimed subject matter, but fail to specifically point the way toward the

combination, substitution or other modification needed to arrive at the invention. A judgment must be made whether 'a person of ordinary skill in the art would have had sufficient motivation to combine the individual [elements] forming the claimed [invention].'" *In re Clinton*, 527 F.2d 1226, 1228, 188 USPQ 365, 367 (CCPA 1976).

With this in mind the examiner maintains it would have been obvious to a person of ordinary skill in the art at the time of invention to include the teaching of Claus to the disclosure of Editors so that a single card is utilized to record and categorize transactions for a business expense account. In this manner the business entity has maximum control and oversight over the transactions of their employees.

Applicant next contends that the combination is improper because it renders the prior art inoperable because Editors is automatically tracked whereas Claus requires the user to enter the information manually. Since Claus is old and outdated the combination is inoperable. However the Applicant has overlooked a second implementation of Claus that utilizes smart cards that do not have a display or keyboard (Column 12, line 22-44). Therefore, just as in the Editors reference the information is transferred automatically.

In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a

reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). This is essentially the same argument with regards to the lack of motivation discussed early. The examiner maintains that it would have been obvious to a person of ordinary skill in the art at the time of invention to include the teaching of Claus to the disclosure of Editors so that a single card is utilized to record and categorize transactions for a business expense account. In this manner the business entity has maximum control and oversight over the transactions of their employees. This conclusion is not reliant on a hindsight analysis as this motivation was not found anywhere in applicants disclosure.

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached on 571-272-6777. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.



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